



Charter Amendment No. 7

This is the seventh of nine proposed [College Station City Charter](#) amendments on the Nov. 6 ballot.

Clic [aquí](#) para ver la **versión en español** del texto y la información otra elección.

What you will see on the ballot:

PROPOSITION NO. 7

FOR/AGAINST

Shall the College Station City Charter be amended to provide for the update and modernization of Article XI (Franchises & Public Utilities)?

What does it mean?

If you vote **AGAINST** this proposition, you are voting to keep this section of the charter as it is; if you vote **FOR** this proposition, you are voting to make these changes:

ARTICLE XI FRANCHISES & PUBLIC UTILITIES

Control Over and Powers With Reference to City Property *Section 102*

➤ *The existing charter says:*

The ownership, right of control and use of streets, highways, alleys, parks, public places and all other real property of the City of College Station is hereby declared to be inalienable to the city, except by ordinances passed by vote of the majority of the governing body of the City, as hereinafter provided; and no franchise or easement involving the right to use same, either along, across, over or under the same, shall ever be valid, unless expressly granted and exercised in compliance with the terms hereof, and of the ordinances granting the same. No act or omission of the City, its governing body, officers or agents shall be construed to confer or extend by estoppel or indirection, any right, franchise or easement not expressly granted by ordinance.

The City of College Station shall have the power, subject to the terms and provisions hereof, by ordinance to confer upon any person or corporation, the franchise or right to use the property of the city, as defined in the preceding

paragraph, for the purpose of furnishing to the public any general public service, including heat, water, light, power, telephone service, refrigeration, steam, manufacture and distribution of ice, and the carriage of passengers or freight, within the city and its suburbs, over the streets, highways, and property of the City, or for any other purposes whereby a general service is to be furnished to the public for compensation or hire, to be paid to the franchise holder, whereby a right to use the streets, highways or other property of the City is necessary or proper; and generally to fix and regulate the rates, tolls and charges of all public utilities of every kind operating within the corporate limits of the City of College Station.

➤ ***The amended charter would say:***

The ownership, right of control and use of streets, highways, alleys, parks, public places and all other real property of the City of College Station is hereby declared to be inalienable to the city, except by ordinances passed by vote of the majority of the governing body of the City, as hereinafter provided; and no franchise or easement involving the right to use same, either along, across, over or under the same, shall ever be valid, unless expressly granted and exercised in compliance with the terms hereof, and of the ordinances granting the same. No act or omission of the City, its governing body, officers or agents shall be construed to confer or extend by estoppel or indirection, any right, franchise or easement not expressly granted by ordinance.

The City of College Station shall have the power, subject to the terms and provisions hereof, by ordinance to confer upon any person or corporation, the franchise or right to use the property of the city, as defined in the preceding paragraph, for the purpose of furnishing to the public any general public service whereby a general service is to be furnished to the public for compensation or hire, to be paid to the franchise holder, whereby a right to use the streets, highways or other property of the City is necessary or proper; and generally to fix and regulate the rates, tolls and charges of all public utilities of every kind operating within the corporate limits of the City of College Station consistent with state law.

Limitations

Section 103

➤ ***The existing charter says:***

No exclusive franchise or privilege shall ever be granted; nor a franchise, nor a privilege to commence at any time after six (6) months subsequent to the taking effect of the ordinance granting the same; and no franchise shall be directly or indirectly extended beyond the term originally fixed by the ordinance granting the same, except as provided by the terms of this charter; nor, except as hereinafter provided, shall any franchise be granted to any person, firm or corporation, their associates, assignees or successors, to acquire the physical property, rights or franchise of another person, firm or corporation to whom or which a franchise has already been granted by the city, whereby the rights and properties held and used under such franchise are assigned to any other person, firm or corporation which holds a franchise from the city extending beyond the time of the expiration of the franchise of the person, firm or corporation selling such physical properties, rights or franchises; provided, however, that when it shall appear that the public welfare will be promoted by permitting or requiring the properties of two or more companies doing the same character of business to be under one common ownership the city may, in granting a franchise for such properties, allow or require the ownership of such properties to become vested in one ownership or one corporation, provided that no debts or obligations of any of the companies so consolidated shall be assumed by the corporation, person or association of persons acquiring the ownership of such properties except such debts and obligations of said companies, or either of them as could at the time of the creation of such indebtedness, lawfully be created under the Constitution and laws of the State of Texas; and only to the extent that the assumption of such indebtedness is permitted under the provisions of the ordinance granting such franchise and the amount of such indebtedness shall be fixed or limited in such ordinance and the same shall not thereafter be increased except by such actual moneys as may hereafter be expended pursuant to the rules and regulations to be formulated by the city council from time to time.

➤ ***The amended charter would say:***

No exclusive franchise or privilege shall ever be granted; nor a franchise, nor a privilege to commence at any time after six (6) months subsequent to the taking effect of the ordinance granting the same; and no franchise shall be directly or indirectly extended beyond the term originally fixed by the ordinance granting the same, except as provided by the terms of this charter.

Terms and Conditions

Section 105

➤ ***The existing charter says:***

No determinate or fixed-term franchise shall ever be granted for a longer term than twenty-five (25) years; nor shall any right, privilege or franchise now in existence be extended beyond the period now fixed for its termination, directly or indirectly, or through any means whatsoever, and any ordinance in violation or evasion of this prohibition shall be absolutely void; provided, however, that any corporation, person or association of persons now holding any franchise under any charter, charters or ordinances of the City of College Station may, with the consent of the city council surrender such franchise or franchises, subject to the provisions of the City Charter then in force, and take a new franchise under such charter, or a new franchise may be granted to a new company or another person with the privilege of acquiring the properties of such franchise holder upon the surrender of the franchise rights then held. No subsidiary franchise or franchises of any character appertaining or relating to any other franchise holder, or to any person, firm or corporation acting directly or indirectly for such franchise holder, shall be granted, and any such grant in violation of this prohibition shall be absolutely void to the extent of the excess in time beyond the life of such main franchise. No franchise, privilege or easement shall ever be used or operated so as to extend or enlarge any other franchise or privilege granted by the City except upon surrender of such original franchise as herein provided, and any violation of this prohibition shall operate as a forfeiture of each and all such franchise privileges or easements. No holder of a franchise heretofore or hereafter granted shall have a right (unless such right is granted in the franchise) to transfer or assign its properties and franchise to any other person, firm or corporation without the consent of the city council, and such consent when given shall not operate as the granting of a franchise or as a new franchise.

The City Council shall have the power to compel all persons, firms or corporations operating any public utilities in the city, whether operating under existing franchises, or franchises that may be hereafter granted, to extend their service, lines, pipes, etc., if the person to be benefited by such extension will pay the cost thereof, or if it can be shown that the revenue resulting from such extension will, within a reasonable time after same is made, pay a reasonable return on the investment, after making the customary allowance for depreciation.

All public utility franchises in the City of College Station shall be held whether expressed in the ordinance or not, subject to the right of the city, each of the following being a condition:

- (1) To repeal the same by ordinance at any time for failure to begin construction or operation within the time prescribed or otherwise to comply with the terms of the franchise, such power to be exercised only after due notice and hearing.
- (2) To require an adequate extension of plant and service, and the maintenance of the plant and fixtures at the highest reasonable standard of efficiency.
- (3) To establish reasonable standards of service and quality of products and prevent unjust discrimination in service or rates.
- (4) To prescribe the form of accounts kept by such utility; provided, that if the utility shall keep its accounts in accordance with the uniform system of accounts for said utility prescribed by the National Association of Railroad and Public Utility Commissioners, the Federal Power Commission, the Federal Communications Commission, the Railroad Commission of Texas, their successor or successors, this shall be deemed sufficient compliance with this paragraph.

- (5) At any time to examine and audit the accounts and other records of any such utility and to require annual and other reports, including reports on local operations by each such public utility.
- (6) To impose such reasonable regulations and restrictions as may be deemed desirable or conducive to the safety, welfare and accommodation of the public.
- (7) To fix and regulate the price and rates for the service to be performed under the franchise.
- (8) To require such compensation and rental as may be permitted by the laws of the State of Texas.

Every public utility franchise hereafter granted shall be subject to the terms and conditions of this charter, whether such terms and conditions are specifically mentioned in the franchise or not.

➤ ***The amended charter would say:***

No determinate or fixed-term franchise shall ever be granted for a longer term than twenty-five (25) years; nor shall any right, privilege or franchise now in existence be extended beyond the period now fixed for its termination, directly or indirectly, or through any means whatsoever, and any ordinance in violation or evasion of this prohibition shall be absolutely void; provided, however, that any corporation, person or association of persons now holding any franchise under any charter, charters or ordinances of the City of College Station may, with the consent of the city council surrender such franchise or franchises, subject to the provisions of the City Charter then in force. No holder of a franchise heretofore or hereafter granted shall have a right (unless such right is granted in the franchise) to transfer or assign its properties and franchise to any other person, firm or corporation without the consent of the city council by ordinance, and such consent when given shall not operate as the granting of a franchise or as a new franchise.

The City Council shall have the power to compel all persons, firms or corporations operating any public utilities in the city, whether operating under existing franchises, or franchises that may be hereafter granted, to extend their service, lines, pipes, etc., if the person to be benefited by such extension will pay the cost thereof, or if it can be shown that the revenue resulting from such extension will, within a reasonable time after same is made, pay a reasonable return on the investment, after making the customary allowance for depreciation.

All public utility franchises in the City of College Station shall be held whether expressed in the ordinance or not, subject to the right of the city, each of the following being a condition:

- (1) To repeal the same by ordinance at any time for failure to begin construction or operation within the time prescribed or otherwise to comply with the terms of the franchise, such power to be exercised only after due notice and hearing.
- (2) To require an adequate extension of plant and service, and the maintenance of the plant and fixtures at the highest reasonable standard of efficiency.
- (3) To establish reasonable standards of service and quality of products and prevent unjust discrimination in service or rates.
- (4) To prescribe the form of accounts kept by such utility; provided, that if the utility shall keep its accounts in accordance with the uniform system of accounts for said utility prescribed by the National Association of Railroad and Public Utility Commissioners, the Federal Power Commission, the Federal Communications Commission, the Railroad Commission of Texas, their successor or successors, this shall be deemed sufficient compliance with this paragraph.
- (5) At any time to examine and audit the accounts and other records of any such utility and to require annual and other reports, including reports on local operations by each such public utility.
- (6) To impose such reasonable regulations and restrictions as may be deemed desirable or conducive to the safety, welfare and accommodation of the public.
- (7) To fix and regulate the price and rates for the service to be performed under the franchise as may be permitted by state law.**
- (8) To require such compensation and rental as may be permitted by the laws of the State of Texas.

Every public utility franchise hereafter granted shall be subject to the terms and conditions of this charter, whether such terms and conditions are specifically mentioned in the franchise or not.

Utility Rates and Charges

Section 106

➤ ***The existing charter says:***

The City Council shall have the power by ordinance to fix and regulate the price of water, gas, electric lights, electric power and steam heat, and to regulate and fix the fares, tolls and charges of local telephone service and charge of all public buses, carriages, hacks and vehicles of every kind, whether transporting passengers, freight or baggage; and generally to fix and regulate the rates, tolls and charges of all public utilities of every kind operating within the corporate limits of the City of College Station.

➤ ***The amended charter would say:***

Consistent with state law, the City Council shall have the power by ordinance to fix and regulate the price, rates, tolls and charges of all public utilities of every kind operating within the corporate limits of the City of College Station that are subject to this Article.

Franchise Records

Section 113

➤ ***The existing charter says:***

Within six (6) months after this charter takes effect every public utility and every owner of a public utility franchise shall file with the City Council, as may be prescribed by ordinance, certified copies of all franchises owned or claimed, or under which such utility is operated in the City of College Station. The City shall compile and maintain a public record of public utility franchises.

➤ ***The amended charter would say:***

The City shall maintain a public record of public utility franchises.

Why is this charter amendment on the ballot?

After reviewing the city charter for more than a year, the 10-member Citizens Charter Review Advisory Commission in May recommended that eight charter amendments be placed on the ballot in a November special election. The commission's stated mission was to "review the city charter and make charter amendment recommendations, where appropriate, that will help protect the rights, powers and benefits of all College Station residents." Most of the recommendations were made to bring the charter in line with state law. The city council later added a ninth amendment about conflict of interest for council members.

[Citizens Charter Review Advisory Commission \(CRAC\)](#)

[Minutes of CRAC meetings](#)

[CRAC Final Report](#)